

Message Text

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ACTION EUR-12

INFO OCT-01 AF-10 ISO-00 CIAE-00 DODE-00 PM-05 H-01
INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15
ICA-11 AID-05 COME-00 EB-08 FRB-03 TRSE-00 XMB-02
OPIC-03 LAB-04 SIL-01 OMB-01 CEA-01 STR-07 /111 W
-----020661 311159Z/75

P 311100Z MAY 78
FM AMEMBASSY PARIS
TO SECSTATE WASHDC PRIORITY 2326
INFO AMEMBASSY KINSHASA PRIORITY

C O N F I D E N T I A L PARIS 17148

E.O. 11652: GDS
TAGS: EGEN, EINV, CG
SUBJ: IBM REMOVAL OF FINANCE MINISTRY COMPUTER

REFS: (A) KINSHASA 5282, (B) STATE 133858,
(C) PARIS 16853, (D) KINSHASA 5468

1. SUBSEQUENT TO RECEIPT OF REF D, HENRY GEORGE, IBM DIRECTOR FOR ZAIRE, CALLED THE EMBASSY ON MAY 30 TO REPORT STATUS OF PROBLEM.

2. ACCORDING TO GEORGE, IBM NOW REQUIRING, FOR CONTINUING OPERATION OF FINANCE MINISTRY COMPUTER, PAYMENT OF \$1,000,000 FOR PAST SERVICES, WHICH THEY HAVE AGREED TO ACCEPT IN ZAIRES (GEORGE UNDERSTANDS GOZ HAS NOW AGREED TO PAY THIS), PLUS ADVANCE PAYMENT IN DOLLARS FOR 6-MONTH PERIOD TOTALING APPROXIMATELY \$1,000,000. THIS INCLUDES \$300,000 ALREADY ADVANCED PLUS \$600-800,000 FOR AN ADDITIONAL 4-MONTH PERIOD. GEORGE CLAIMS THE \$300,000 ALREADY RECEIVED ACTUALLY COVERS PAST SERVICES, BUT IBM IS ACCEPTING THIS AS A PART OF THE ADVANCE. IN VIEW OF ADVANCE PAYMENT RECEIVED, IBM IS GIVING GOZ AN ADDITIONAL UNSPECIFIED CONFIDENTIAL

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AMOUNT OF TIME TO COME UP WITH THE FULL ADVANCE PAYMENT. GEORGE IS RELUCTANT TO SET ANY TIME LIMIT AS HE FEELS THE GOZ WILL JUST DO NOTHING UNTIL THE EXPIRATION OF THE PERIOD. HE SAYS THE ONLY TIME HE GETS ACTION IS WHEN HE STOPS THE COMPUTERS. AT ONE POINT, HOWEVER, HE DID MENTION HE WOULD WAIT TWO WEEKS.

3. ADDITIONAL POINT MADE BY GEORGE IS THE IBM BEING TAXED BY GOZ ON THE MONEY OWED (BASED ON BILLINGS) BUT NOT PAID BY GOZ ITSELF; ALSO THAT IBM HAS STOPPED MARKETING IN ZAIRE AND IS MAINTAINING FINANCE MINISTRY COMPUTERS TO ASSURE SAFETY OF PERSONNEL. WITH REGARD TO LAST POINT, GEORGE SAID THAT IBM HAS EVACUATED NON-ZAIRIAN DEPENDENTS, AND, IF SITUATION DETERIORATES, WILL WITHDRAW ALL PERSONNEL WHICH WILL STOP THE COMPUTER ANYWAY.

4. GEORGE ASKED FOR EMBASSY KINSHASA SUPPORT IN CONVINCING GOZ OF THE IMPORTANCE OF MAKING PROMPT PAYMENTS FOR COMPUTER SERVICES.

5. COMMENT: WE REITERATED TO MR. GEORGE THAT OUR PURPOSE IN CONTACTING HIM ORIGINALLY WAS TO MAKE CERTAIN THAT IBM FULLY UNDERSTOOD THE SENSITIVITY AND IMPLICATIONS OF THE SITUATION, BUT THAT THE BUSINESS DECISION WAS, OF COURSE, IBM'S. AS REPORTED REF C, WE CONTINUE TO BELIEVE GEORGE WILL NOT ALTER HIS POSITION UNLESS DIRECTED TO DO SO BY HIGHER IBM AUTHORITIES. INCIDENTALLY, HE NOTED THAT FIGURES HE GAVE US ARE APPROXIMATE ONLY.

HARTMAN

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCE, WAGES, COMPUTERS
Control Number: n/a
Copy: SINGLE
Draft Date: 31 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978PARIS17148
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780227-0220
Format: TEL
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t1978053/aaaaacdh.tel
Line Count: 85
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 09930799-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 KINSHASA 5282, 78 STATE 133858, 78 PARIS 16853, 78 KINSHASA 5468
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 02 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2605906
Secure: OPEN
Status: NATIVE
Subject: IBM REMOVAL OF FINANCE MINISTRY COMPUTER
TAGS: EGEN, EINV, CG
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/09930799-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014